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WHA FOR A/S SHANNON
SOUTHCOM FOR POLAD

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TAGS: [PREL](#) [PGOV](#) [ECON](#) [AR](#)
SUBJECT: AMBASSADOR WAYNE PRESENTS CREDENTIALS TO FOREIGN
MINISTER TAIANA

Classified By: Ambassador E. Anthony Wayne for Reasons 1.4 (b) and (d).

¶1. (C) Summary: Argentine Foreign Minister Taiana used Ambassador Wayne's presentation of credentials to stress his desire for good cooperation and open dialogue with the U.S. In his 45 minute private meeting with Wayne, Taiana stressed that the U.S. is a "friend" of Argentina and that Argentina needs its friends to secure democracy and prosperity. He underscored our productive work together on counterterrorism, peacekeeping, non-proliferation and counternarcotics. Given our shared values, Taiana argued, differences with the U.S. are more often than not over tactics and urged frank and honest dialogue to work those through. He said he wanted to work with us to help correct the anti-American sentiment evident in Argentine opinion polls.

¶2. (C) Taiana spent a good deal of time explaining his view of Argentina's mistakes over the past fifty years. He argued that Argentina had learned its lessons the hard way and stressed that President Kirchner and his government are firmly committed to democracy, and that Kirchner, himself, believes strongly in maintaining a fiscal surplus and in the need to cure Argentina of being "addicted" to fiscal irresponsibility. Taiana described what he sees as an opportunity for Argentina to sustain its economic growth because of a favorable international environment and an extended period of political stability. He added that Argentines need to take advantage of the situation by attracting investment and increasing productivity. In the context of this opportunity and overcoming anti-American sentiment, the Foreign Minister expressed hope that the U.S. would not revoke Argentina's GSP benefits. He argued that, whatever the reality, such a U.S. action would inevitably be interpreted in Argentina as a political decision aimed at punishing the country.

¶3. (C) Wayne told Taiana that the U.S. administration looked forward to working concretely and productively with Argentina from strengthening democracy in the region, to encouraging long-term investment and trade, to fighting terrorism. He said the GSP review process is proceeding as a fact-based process within the Administration. On counterterrorism, the

Ambassador discussed with Taiana the need to be prepared for a coordinated international effort should the responsible Argentine federal judge issue international arrest warrants in the AMIA bombing case. Recounting other international efforts against terrorism, Wayne stressed the importance of building international support for the findings of Argentina's investigation and underscored that the United States stood ready to support and work with Argentina to that end. End Summary.

¶4. (C) Ambassador E. Anthony Wayne presented copies of his letter of credentials to FM Taiana on November 6, one day after his arrival in Buenos Aires. (Note: In Argentina, ambassadors are considered fully accredited upon delivering copies of their letters of credentials to the foreign minister. Because of his distaste for protocol events, President Kirchner delegates the formal accreditation ceremony to Vice President Scioli at a time when he is acting president, i.e. when Kirchner is traveling outside the country. End Note.) Ambassador Wayne met privately with Taiana for approximately 45 minutes.

¶5. (C) In welcoming Ambassador Wayne, Taiana spoke of the similarities between the U.S. and Argentina, noting that both were frontier countries, both had faced serious internal conflicts and both had long histories of receiving immigrants. Both also shared similar values and principles. However, while the U.S. had continued to progress and develop, Argentina "made mistakes" and had gotten off track and "clearly done a number of things wrong." He said the administration of former president Arturo Frondizi (1958-62) had been the last opportunity to recover and build upon the times when Argentina's poverty rate was only ten percent and the middle class was over 50 percent of the population.

Instead, it was followed by nearly 20 years of military dictatorship, the hyperinflation of 1989-90 ("an earthquake for the people"), and, finally, the crisis of 2001-02 which, he said, was not only an economic crisis but also a social and political crisis. Taiana acknowledged that the 1990s had brought change and new openings to the Argentine economy and society, but argued that it had not been done well. He said many in Argentina equate these changes with the destruction of industry and jobs as well as with close ties with the U.S.

Therefore, when the crisis of 2001-2002 hit, many were not only angry with the leaders of their country but very disillusioned with the previous relationship with the U.S.

¶6. (C) Taiana then highlighted the areas in which he believed the GoA and the U.S. were already cooperating closely and could continue to deepen our work together, namely, the fight against global terrorism, international security, non-proliferation issues, and the fight against narcotics trafficking. He claimed any differences with the U.S. on these issues were more a matter of tactics than policy. He said Argentina was a relatively small country and, therefore, might at times take a more multilateral approach on issues. The U.S., he acknowledged, needed more room to maneuver. "We realize this can be difficult," he said, adding that the GoA had tried to be "prudent" in its public comments on policy in areas like Iraq where there were differences with the U.S.

¶7. (C) Turning to trade and economic issues, Taiana acknowledged GoA differences with the U.S. He said these differences were a product of Argentina's history and development. "We have a different perspective on regional free trade," he said. On free trade agreements, Taiana opined there was a coincidence between those countries that deeply "feared" Chinese expansion into domestic markets and those who had looked for free trade agreements with the U.S. However, he acknowledged that Chile and Brazil were exceptions, "Chile trades with everyone" and then added that for Argentina, Brazil is our "next door neighbor China."

¶8. (C) Of most importance to Argentina, Taiana said the current international economic situation had created an opportunity for Argentina to have sustained long-term

economic growth for the first time since the 1930s. In Argentina, this growth can be driven by both a high-tech revolution, which had led to the possibilities of increased productivity, and a sustained demand for basic products, especially from countries such as China.

¶9. (C) Equally important, Argentina now also had the opportunity for sustained political stability. The message from society during the 2001-02 crisis had been for "more and better democracy." Taiana said that President Kirchner was seen as the individual best embodying the solution to that crisis. Taiana said that the Kirchner administration was not a typical Peronist government. While believing in the regulatory role of the state, this government was more capitalist and also believed in the role of the market. Taiana said the Kirchner administration did agree with the traditional Peronist social concerns but to this Kirchner had added a strong belief in fiscal responsibility. Kirchner is committed to a fiscal surplus, high reserves and a careful fiscal policy. He noted that Kirchner had said that Argentines were "addicted" to overspending and that there was a need to maintain fiscal surpluses and control over government spending for at least 10 to 15 years to break that addiction. Taiana said the GoA could not accept a large or growing income inequality in society, however, as this had been one of the big mistakes of the 1990s. Therefore, the government was talking to companies and encouraging them to raise salaries above the inflation rate. To keep the inflation rate at acceptable levels, productivity rates needed to increase, he acknowledged. Another key factor is investment. Argentine businessmen have to break free from the short-term mentality created by the crises of the last 40 years. They and foreign investors need to gain confidence in a longer-term prospect for Argentina.

¶10. (C) Turning to the high level of anti-Americanism in Argentina, Taiana said this was rooted in disappointment with the outcome of the economic and social changes of the 1990s. The U.S. was popular then, he said, but had become tied up in the collapse. He said he wanted to work to address this negative perception. There are many voices ready to criticize the U.S. in Argentina, he said. In this context, the Minister argued that he hoped the U.S. would not eliminate GSP benefits for Argentina. He argued that though the economic effects would be manageable, the political damage would be profound. Elimination of GSP would be interpreted widely as a political decision to punish Argentina.

¶11. (C) Taiana said Argentines have a lively debate with the U.S. about everything. "This is the way we are," he said. "Don't get upset." He told the Ambassador that he looked forward to an "open dialogue" and underscored that he wanted to work well with the U.S. "We are much more reasonable than we seem to be." He said Argentina needed friends and that Argentina believed in democracy and basic freedoms. "We believe in democracy and basic freedoms. We won't get away from this. We learned this the hard way." He said the GoA would be frank with the U.S. and that the U.S. should be frank with the GoA. On dealing with Kirchner, Taiana said the President was always very careful not to promise more than he could deliver. He described Kirchner as "very direct."

¶12. (C) Ambassador Wayne assured Taiana of his desire for a frank and open dialogue with the GoA. He said the U.S. looked to build on our bilateral relationship based on a long-term perspective of economic and political stability. In response to Taiana's expression of concern over loss of GSP preferences, the Ambassador noted he was optimistic as the Administration is handling this issue in a fact-based manner.

¶13. (C) The Ambassador addressed the GoA's ongoing legal efforts to bring to justice the perpetrators of the 1994 AMIA bombing and the need for the U.S. and Argentina to continue working together on this issue. He congratulated the GoA for the recent release of special prosecutor Nisman's report on

the AMIA bombing, which included indictments of eight former Iranian government officials and Hezbollah leaders. He said that given his own experience in rallying coalitions of nations on terrorism issues, it would be important for the MFA to join a coordinated international effort to publicize and build support for the findings of the report if arrest warrants are issued by Argentine federal judge Canicoba Corral. The U.S. stands ready to support and work with Argentina in this effort. Taiana expressed thanks for this offer.

WAYNE